

VMRII-VRO GUIDELINE -  
1099 CHANGES TO A VENDOR'S  
TIN NUMBER OR TIN TYPE

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Checklist Reference - None

Definition of a TIN number is a taxpayer identification number for either an individual or a business.

Definition of a TIN type - it identifies the taxpayer identification number as either a Social Security Number (S) or a Federal Identification Number (F).

Changing a Tin Type. Since the upgrade to 9.0, changing a Tin Type (S to F, or F to S) by using an effective-dated row does not affect 1099 reporting on vouchers paid either before or after the change. The VMR has two choices:

1. Add an effective-dated row backdated to January 1<sup>st</sup> of current year (preferred method), or
2. If there is already an effective-dated row sometime during the current year, add a new effective-dated row the date after and change the Type. Correct history can be used, but only sparingly, and only for cases where the 1099 information was entered incorrectly.

**TIN changes – what is acceptable and not acceptable written documentation:**

Acceptable:

- A written notification from the vendor (letter or postcard) that may have been included in a statement or invoice.
  - a. A letter from the vendor indicating the old TIN and the new TIN.
- A Notification of Change form, SFN 53654 which is on the State Procurement Office/Vendor Registry web site.

Not acceptable:

- Notification from a Higher Ed employee, state employee, or
- Notification by the vendor over the phone or by email.

The steps for changing a TIN number depend upon the reason for the change:

1. The SSN or EIN was entered incorrectly. With the upgrade to 9.0, it is possible to fix a typo or wrong TIN without “breaking” the link for 1099 reporting. There are several options:

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- a. If possible, add a new effective-dated row as of January 1<sup>st</sup> of the current year and change the TIN.
  - b. TIN changes on a non-reportable corporation can be done on the existing vendor record at any time since it will not affect 1099 reporting.
  - c. There are no problems making TIN changes on a reportable vendor if the vendor has no existing vouchers in the current calendar year for the state or higher education. (The Vendor Registry Office in Bismarck has the ability to see if there are vouchers from any business unit, Higher Ed or state.)
  - d. If there is already an effective-dated row added during the current year, you may use correct history and change the TIN on existing rows for the current year. This option should only be done where there cannot be any 1099 reporting on an old, incorrect TIN.
  - e. **WARNING:** What does seem to break the reporting link for vouchers is using correct history with a current date! Please proceed carefully.
2. A sole proprietorship was originally set up with the owner's SSN, but now the business gave you their EIN.
- a. If possible, add a new effective-dated row as of January 1<sup>st</sup> of the current year and change the TIN.
  - b. If there is already an effective-dated row added during the current year, you may want to just add a new row with the new information. Two 1099 forms will print, one under each TIN.
  - c. If neither of these two options will work for your situation, please forward the problem to the Vendor Registry Office in Bismarck.
3. A business changes ownership or type or organization that requires a TIN change. It does not matter if a corporation becomes a partnership, or if a sole proprietorship becomes a corporation – **all changes in ownership need to be referred to the Vendor Registry Office (VRO).** Please fax all paperwork given to you regarding the change to the Vendor Registry Office at 701-328-0108.

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VRO will need to make the changes because:

- VRO has access all payments made by state agencies and institutions of higher education which helps with inactivating vendors and moving payments. This includes checking for unpaid vouchers attached to the existing vendor.
- Changes of ownership and/or TIN can be extremely complicated and require knowledge about interfaces to the system.
- VRO will need to contact the vendor to establish the effective date of the new FEIN number. If the vendor is a sole proprietor, VRO must determine the date the business transferred from one owner to another to determine the proper 1099 reporting.
- If there are interface locations attached, the appropriate state agency needs to be contacted regarding the changing vendor number.
- If the vendor is also a bidder, the vendor must be contacted to complete a new application with the new name.
- This change will be included in the vendor consolidation report sent out each week.

Will the monies on the old vendor report on a 1099?

That depends on total amount of the reportable payments. Any reportable payments under \$600 will not report on the old vendor. The reportable payments would need to be moved to the new vendor number.

How are these payments moved to the new vendor number? Any payments that need to be moved from the old vendor number to the new vendor number are done by VRO. The higher education business units may need to move their payments as well, if that determination is made by VRO the appropriate business unit will be contacted to make the correction.

*Feel free to contact the Vendor Registry Office at [spovendor@nd.gov](mailto:spovendor@nd.gov) for help or guidance in entering or updating vendor information. The Vendor Registry Office will research the information, take the appropriate action and respond to your inquiry in a timely manner.*